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M - 603,438
S - 933,643

FEB 23 1967

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House Group Reopens Probe of Foundations In Furor Over CIA

From Our Wire Services

WASHINGTON, Feb. 22.—As result of the flap over CIA use of private channels to funnel money to various groups, a Congressional committee will reopen an investigation of operations of tax-exempt foundations, it was announced Wednesday.

Rep. Joe Evins (D., Tenn.), chairman of the House Small Business Committee, said a subcommittee headed by Rep. Wright Patman (D., Tex.) would look into recent developments pertaining to CIA subsidizations through foundations.

The subcommittee held public hearings in 1964 revealing the CIA used the J. M. Kaplan Foundation of New York as a conduit for CIA funds.

575 FOUNDATIONS

A spokesman for the subcommittee said no dates had been set for any new public hearings into tax-free foundations. There are 575 foundations under review by the subcommittee staff which issues periodic reports on findings.

In another development Wednesday, Arnold Zander, former president of the American Federation of State, County and Municipal Employees, revealed that for six years the CIA subsidized the union's international activities.

Zander, who is now president of the United World Federalists, said the CIA subsidy began in 1958 at the rate of about \$7500 a year. By 1964, said Zander, the agency was putting \$60,000 a year into the operation through one of its "dummy" conduits,

the Gotham Foundation in New York.

Zander said he was unaware at the time that the money came from the CIA, that he had never inquired about the source of the funds, and that he still sees nothing improper in the arrangement. He said he learned that Gotham was a CIA front only in the last few days as a result of newspaper stories.

The money, said Zander, was funneled into Public Services International (PSI) in London, the world-wide organization of unions representing members of the public bureaucracy at all levels of government.

ORGANIZATION DRIVE

PSI was engaged, said Zander in an effort to organize public employees all over the world, especially in Africa and Latin America.

Meanwhile, Congressional informants said President Johnson must have known, almost from the beginning, of the CIA's involvement with student groups and other private organizations.

They pointed out that, as a Senator from Texas, Mr. Johnson was a member of the Senate's special CIA watchdog subcommittee for almost six years during which the panel was fully advised of the CIA involvement.

The White House has not stated whether the President knew of the agency's educational and other subsidies before the recent public disclosure of CIA payments to the National Student Association.

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